



DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

June 7, 2019

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on June 7th, 2019:

H.B. 2039 elections; federal form; emergency voting (Townsend)
H.B. 2076 virtual training simulators; location (Fillmore)
H.B. 2134 municipal elections; write-in candidates (Cobb)
H.B. 2146 contracts; licensure requirements; exemption (Rivero)
H.B. 2190 CORP; accidental disability; definition (Payne)
H.B. 2265 defensive driving schools; course requirements (Payne)
H.B. 2275 TPT exemptions; propagative materials (Dunn)
H.B. 2358 landlord tenant; partial payment; assistance (Toma)
H.B. 2360 TPT; estimated payments; liability threshold (Toma)
H.B. 2493 solar energy devices; appraisal methods (Cobb)
H.B. 2532 critical health information; emergency responders (Gabaldon)
H.B. 2547 racing commission; simulcasting; wagering facilities (Finchem)
H.B. 2556 agricultural property; uses; rural activities (Finchem)
H.B. 2646 commerce authority; application review (Teller)
H.B. 2670 study committee; special education; gifted (Bolick)
S.B. 1027 tax credit; charitable organizations; eligibility (Leach)
S.B. 1037 prisoners; parole hearings; recertification procedures (Brophy-McGee)
S.B. 1062 public disclosure; health professionals; address (Carter)
S.B. 1064 court security officers; certification; powers (Borrelli)
S.B. 1087 vehicle liability insurance; minimum limits (Brophy-McGee)
S.B. 1213 ASRS; return to work (Livingston)
S.B. 1236 tax liens; fees; certificate expiration (Mesnard)
S.B. 1241 state parks board; heritage fund (Brophy-McGee)
S.B. 1246 behavioral health; foster children (Brophy-McGee)
S.B. 1248 property taxes; valuation; property modifications (Leach)
S.B. 1259 ADOT; proportional registration; temporary registration (Livingston)
S.B. 1300 low-income housing; tax exemption (Brophy-McGee)
S.B. 1307 DUI; license reinstatement; evaluation requirements (Livingston)
S.B. 1310 earned release credits; drug offenses (E. Farnsworth)

S.B. 1321 health information organizations (Carter)
S.B. 1330 emergency management compact; workers (Borrelli)
S.B. 1332 alternative fuel vehicles; VLT (Livingston)
S.B. 1352 health care directives registry; transfer (Carter)
S.B. 1451 procedures; nomination petitions; registered circulators (Leach)
S.B. 1456 vision screening; schools; appropriation (S. Allen)
S.B. 1482 state agencies; fee increase; limit (Mesnard)
S.B. 1494 marijuana; testing; advisory council; library (Gowan)
S.B. 1528 video service providers; license (Carter)
S.B. 1536 controlled substances; delegation; monitoring (Brophy-McGee)
S.B. 1538 adult protective services (Brophy-McGee)

Sincerely,

A handwritten signature in black ink, reading "Douglas A. Ducey". The signature is fluid and cursive, with the first name "Douglas" being the most prominent.

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed Senate Bill

FILED

KATIE HOBBS

SECRETARY OF STATE

State of Arizona
Senate
Fifty-fourth Legislature
First Regular Session
2019

CHAPTER 320

SENATE BILL 1536

AN ACT

AMENDING SECTIONS 32-1904 AND 36-2604, ARIZONA REVISED STATUTES; RELATING
TO THE ARIZONA STATE BOARD OF PHARMACY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 32-1904, Arizona Revised Statutes, as amended by
3 Senate Bill 1103, section 1, fifty-fourth legislature, first regular
4 session, as transmitted to the governor, is amended to read:

5 32-1904. Powers and duties of board; immunity

6 A. The board shall:

7 1. Make bylaws and adopt rules that are necessary to protect the
8 public and that pertain to the practice of pharmacy, the manufacturing,
9 wholesaling or supplying of drugs, devices, poisons or hazardous
10 substances, the use of pharmacy technicians and support personnel and the
11 lawful performance of its duties.

12 2. Fix standards and requirements to register and reregister
13 pharmacies, except as otherwise specified.

14 3. Investigate compliance as to the quality, label and labeling of
15 all drugs, devices, poisons or hazardous substances and take action
16 necessary to prevent the sale of these if they do not conform to the
17 standards prescribed in this chapter, the official compendium or the
18 federal act.

19 4. Enforce its rules. In so doing, the board or its agents have
20 free access, during the hours reported with the board or the posted hours
21 at the facility, to any pharmacy, manufacturer, wholesaler, third-party
22 logistics provider, nonprescription drug permittee or other establishment
23 in which drugs, devices, poisons or hazardous substances are manufactured,
24 processed, packed or held, or to enter any vehicle being used to transport
25 or hold such drugs, devices, poisons or hazardous substances for the
26 purpose of:

27 (a) Inspecting the establishment or vehicle to determine whether
28 any provisions of this chapter or the federal act are being violated.

29 (b) Securing samples or specimens of any drug, device, poison or
30 hazardous substance after paying or offering to pay for the sample.

31 (c) Detaining or embargoing a drug, device, poison or hazardous
32 substance in accordance with section 32-1994.

33 5. Examine and license as pharmacists and pharmacy interns all
34 qualified applicants as provided by this chapter.

35 6. Require each applicant for an initial license to apply for a
36 fingerprint clearance card pursuant to section 41-1758.03. If an
37 applicant is issued a valid fingerprint clearance card, the applicant
38 shall submit the valid fingerprint clearance card to the board with the
39 completed application. If an applicant applies for a fingerprint
40 clearance card and is denied, the applicant may request that the board
41 consider the application for licensure notwithstanding the absence of a
42 valid fingerprint clearance card. The board, in its discretion, may
43 approve an application for licensure despite the denial of a valid
44 fingerprint clearance card if the board determines that the applicant's

1 criminal history information on which the denial was based does not alone
2 disqualify the applicant from licensure.

3 7. Issue duplicates of lost or destroyed permits on the payment of
4 a fee as prescribed by the board.

5 8. Adopt rules to rehabilitate pharmacists and pharmacy interns as
6 provided by this chapter.

7 9. At least once every three months, notify pharmacies regulated
8 pursuant to this chapter of any modifications on prescription writing
9 privileges of podiatrists, dentists, doctors of medicine, registered nurse
10 practitioners, osteopathic physicians, veterinarians, physician
11 assistants, optometrists and homeopathic physicians of which it receives
12 notification from the state board of podiatry examiners, state board of
13 dental examiners, Arizona medical board, Arizona state board of nursing,
14 Arizona board of osteopathic examiners in medicine and surgery, Arizona
15 state veterinary medical examining board, Arizona regulatory board of
16 physician assistants, state board of optometry or board of homeopathic and
17 integrated medicine examiners.

18 10. Charge a permittee a fee, as determined by the board, for an
19 inspection if the permittee requests the inspection.

20 11. Issue only one active or open license per individual.

21 12. Allow a licensee to regress to a lower level license on written
22 explanation and review by the board for discussion, determination and
23 possible action.

24 B. The board may:

25 1. Employ chemists, compliance officers, clerical help and other
26 employees subject to title 41, chapter 4, article 4 and provide laboratory
27 facilities for the proper conduct of its business.

28 2. Provide, by educating and informing the licensees and the
29 public, assistance in curtailing abuse in the use of drugs, devices,
30 poisons and hazardous substances.

31 3. Approve or reject the manner of storage and security of drugs,
32 devices, poisons and hazardous substances.

33 4. Accept monies and services to assist in enforcing this chapter
34 from other than licensees:

35 (a) For performing inspections and other board functions.

36 (b) For the cost of copies of the pharmacy and controlled
37 substances laws, the annual report of the board and other information from
38 the board.

39 5. Adopt rules for professional conduct appropriate to the
40 establishment and maintenance of a high standard of integrity and dignity
41 in the profession of pharmacy.

42 6. Grant permission to deviate from a state requirement for
43 experimentation and technological advances.

44 7. Adopt rules for the training and practice of pharmacy interns,
45 pharmacy technicians and support personnel.

1 8. Investigate alleged violations of this chapter, conduct hearings
2 in respect to violations, subpoena witnesses and take such action as it
3 deems necessary to revoke or suspend a license or a permit, place a
4 licensee or permittee on probation or warn a licensee or permittee under
5 this chapter or to bring notice of violations to the county attorney of
6 the county in which a violation took place or to the attorney general.

7 9. By rule, approve colleges or schools of pharmacy.

8 10. By rule, approve programs of practical experience, clinical
9 programs, internship training programs, programs of remedial academic work
10 and preliminary equivalency examinations as provided by this chapter.

11 11. Assist in the continuing education of pharmacists and pharmacy
12 interns.

13 12. Issue inactive status licenses as provided by this chapter.

14 13. Accept monies and services from the federal government or
15 others for educational, research or other purposes pertaining to the
16 enforcement of this chapter.

17 14. By rule, except from the application of all or any part of this
18 chapter any material, compound, mixture or preparation containing any
19 stimulant or depressant substance included in section 13-3401, paragraph
20 6, subdivision (c) or (d) from the definition of dangerous drug if the
21 material, compound, mixture or preparation contains one or more active
22 medicinal ingredients not having a stimulant or depressant effect on the
23 central nervous system, provided that such admixtures are included in such
24 combinations, quantity, proportion or concentration as to vitiate the
25 potential for abuse of the substances that do have a stimulant or
26 depressant effect on the central nervous system.

27 15. Adopt rules for the revocation, suspension or reinstatement of
28 licenses or permits or the probation of licensees or permittees as
29 provided by this chapter.

30 16. Issue a certificate of free sale to any person that is licensed
31 by the board as a manufacturer for the purpose of manufacturing or
32 distributing food supplements or dietary supplements as defined in rule by
33 the board and that wants to sell food supplements or dietary supplements
34 domestically or internationally. The application shall contain all of the
35 following:

36 (a) The applicant's name, address, e-mail address, telephone and
37 fax number.

38 (b) The product's full, common or usual name.

39 (c) A copy of the label for each product listed. If the product is
40 to be exported in bulk and a label is not available, the applicant shall
41 include a certificate of composition.

42 (d) The country of export, if applicable.

43 (e) The number of certificates of free sale requested.

1 17. Establish an inspection process to issue certificates of free
2 sale or good manufacturing practice certifications. The board shall
3 establish in rule:

4 (a) A fee to issue certificates of free sale.

5 (b) A fee to issue good manufacturing practice certifications.

6 (c) An annual inspection fee.

7 18. Delegate to the executive director the authority to:

8 (a) Void a license or permit application and deem all fees
9 forfeited by the applicant if the applicant provided inaccurate
10 information on the application. ~~Except for inaccurate information~~
11 ~~provided regarding education or criminal history,~~ The applicant shall have
12 the opportunity to correct the inaccurate information within thirty days
13 after the initial application was voided. ~~If the applicant provides~~
14 ~~inaccurate information regarding education or criminal history and the~~
15 ~~application is voided, the applicant may submit a new application with all~~
16 ~~associated fees~~ REVIEWED BY BOARD STAFF AND THE APPLICANT WAS INFORMED OF
17 THE INACCURACY.

18 (b) If the president or vice president of the board concurs after
19 reviewing the case, enter into an interim consent agreement with a
20 licensee or permittee if there is evidence that a restriction against the
21 license or permit is needed to mitigate danger to the public health and
22 safety. The board ~~shall~~ MAY subsequently formally adopt the interim
23 consent agreement with any modifications the board deems necessary ~~for the~~
24 ~~agreement to be fully enforceable.~~

25 (c) Take no action or dismiss a complaint that has insufficient
26 evidence that a violation of statute or rule GOVERNING THE PRACTICE OF
27 PHARMACY occurred.

28 (d) Request an applicant or licensee to provide court documents and
29 police reports if the applicant or licensee has been charged with or
30 convicted of a criminal offense. The executive director may do either of
31 the following if the applicant or licensee fails to provide the requested
32 documents to the board within ~~fourteen~~ THIRTY business days after the
33 request:

34 (i) Close the application, deem the application fee forfeited and
35 not consider a new application complete unless the requested documents are
36 submitted with the application.

37 ~~(ii) Suspend the licensee and open a complaint for unprofessional~~
38 ~~conduct.~~

39 (ii) NOTIFY THE LICENSEE OF AN OPPORTUNITY FOR A HEARING IN
40 ACCORDANCE WITH SECTION 41-1061 TO CONSIDER SUSPENSION OF THE LICENSEE.

41 (e) PURSUANT TO SECTION 36-2604, SUBSECTION B, REVIEW PRESCRIPTION
42 INFORMATION COLLECTED PURSUANT TO TITLE 36, CHAPTER 28, ARTICLE 1.

43 C. At each regularly scheduled board meeting the executive director
44 shall provide to the board a list of the executive director's actions

1 taken pursuant to subsection B, paragraph 18, subdivisions (a), (c) and
2 (d) of this section since the last board meeting.

3 D. THE BOARD SHALL DEVELOP SUBSTANTIVE POLICY STATEMENTS PURSUANT
4 TO SECTION 41-1091 FOR EACH SPECIFIC LICENSING AND REGULATORY AUTHORITY
5 THE BOARD DELEGATES TO THE EXECUTIVE DIRECTOR.

6 ~~D.~~ E. The executive director and other personnel or agents of the
7 board are not subject to civil liability for any act done or proceeding
8 undertaken or performed in good faith and in furtherance of the purposes
9 of this chapter.

10 Sec. 2. Section 36-2604, Arizona Revised Statutes, is amended to
11 read:

12 36-2604. Use and release of confidential information;
13 definitions

14 A. Except as otherwise provided in this section, prescription
15 information submitted to the board pursuant to this article is
16 confidential and is not subject to public inspection. The board shall
17 establish procedures to ensure the privacy and confidentiality of patients
18 and that patient information that is collected, recorded and transmitted
19 pursuant to this article is not disclosed except as prescribed in this
20 section.

21 B. The board or its designee shall review the prescription
22 information collected pursuant to this article. If the board or its
23 designee has reason to believe an act of unprofessional or illegal conduct
24 has occurred, the board or its designee shall notify the appropriate
25 professional licensing board or law enforcement or criminal justice agency
26 and provide the prescription information required for an investigation.
27 THE BOARD MAY DELEGATE THE DUTIES PRESCRIBED IN THIS SUBSECTION TO THE
28 EXECUTIVE DIRECTOR PURSUANT TO SECTION 32-1904.

29 C. The board may release data collected by the program to the
30 following:

31 1. A person who is authorized to prescribe or dispense a controlled
32 substance, or a delegate who is authorized by the prescriber or dispenser,
33 to assist that person to provide medical or pharmaceutical care to a
34 patient or to evaluate a patient.

35 2. An individual who requests the individual's own prescription
36 monitoring information pursuant to section 12-2293.

37 3. A medical practitioner regulatory board established pursuant to
38 title 32, chapter 7, 11, 13, 14, 15, 16, 17, 18, 25 or 29.

39 4. A local, state or federal law enforcement or criminal justice
40 agency. Except as required pursuant to subsection B of this section, the
41 board shall provide this information only if the requesting agency states
42 in writing that the information is necessary for an open investigation or
43 complaint.

44 5. The Arizona health care cost containment system administration
45 AND CONTRACTORS regarding persons who are receiving services pursuant to

~~chapter~~ CHAPTERS 29 AND 34 of this title. Except as required pursuant to subsection B of this section, the board shall provide this information only if the administration OR A CONTRACTOR states in writing that the information is necessary for an open investigation or complaint, for performing a drug utilization review for controlled substances to help combat opioid overuse or abuse or for ensuring the continuity of care.

6. A person who is serving a lawful order of a court of competent jurisdiction.

7. A person who is authorized to prescribe or dispense a controlled substance and who performs an evaluation on an individual pursuant to section 23-1026.

8. A county medical examiner or alternate medical examiner who is directing an investigation into the circumstances surrounding a death as described in section 11-593 or a delegate who is authorized by the county medical examiner or alternate medical examiner.

9. The department of health services regarding persons who are receiving or prescribing controlled substances in order to implement a public health response to address opioid overuse or abuse, including a review pursuant to section 36-198. Except as required pursuant to subsection B of this section, the board shall provide this information only if the department states in writing that the information is necessary to implement a public health response to help combat opioid overuse or abuse.

D. The board may provide data to public or private entities for statistical, research or educational purposes after removing information that could be used to identify individual patients or persons who received prescriptions from dispensers.

E. A PERSON WHO IS AUTHORIZED TO PRESCRIBE OR DISPENSE A CONTROLLED SUBSTANCE OR THE CHIEF MEDICAL OFFICER OF THE ADMINISTRATION OR A CONTRACTOR SHALL DEACTIVATE A DELEGATE WITHIN FIVE BUSINESS DAYS AFTER AN EMPLOYMENT STATUS CHANGE, THE REQUEST OF THE DELEGATE OR THE INAPPROPRIATE USE OF THE CONTROLLED SUBSTANCES PRESCRIPTION MONITORING PROGRAM'S CENTRAL DATABASE TRACKING SYSTEM.

~~F.~~ F. For the purposes of this section: ~~—~~

1. "ADMINISTRATION" AND "CONTRACTOR" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 36-2901.

2. "Delegate" means any of the following:

~~1.~~ (a) A licensed health care professional who is employed in the office of or in a hospital with the prescriber or dispenser.

~~2.~~ (b) An unlicensed medical records technician, medical assistant or office manager who is employed in the office of or in a hospital with the prescriber or dispenser and who has received training regarding both the health insurance portability and accountability act privacy standards, ~~(45 Code of Federal Regulations part 164, subpart E,)~~ and security standards, ~~(45 Code of Federal Regulations part 164, subpart C).~~

1 ~~3.~~ (c) A forensic pathologist, medical death investigator or other
2 qualified person who is assigned duties in connection with a death
3 investigation pursuant to section 11-594.

4 ~~4.~~ (d) A licensed pharmacy technician trainee, pharmacy technician
5 or pharmacy intern who works in a facility with the dispenser.

6 (e) ANY EMPLOYEE OF THE ADMINISTRATION OR A CONTRACTOR WHO IS
7 AUTHORIZED BY THE ADMINISTRATION'S OR CONTRACTOR'S CHIEF MEDICAL OFFICER.

8 Sec. 3. Controlled substances prescription monitoring
9 program; report; delayed repeal

10 A. On or before October 1, 2019, the Arizona state board of
11 pharmacy shall convene a committee to analyze and develop appropriate use
12 and accessibility parameters by licensed health care professionals and
13 other delegates referenced in section 36-2604, Arizona Revised Statutes,
14 as amended by this act, for patient information contained in the
15 controlled substances prescription monitoring program.

16 B. The committee shall be composed of representatives of the
17 department of health services, the Arizona health care cost containment
18 system administration, contractors of the administration, hospitals,
19 prescribers and dispensers.

20 C. On or before January 1, 2020, the department of health services
21 and the Arizona health care cost containment system administration shall
22 jointly develop and submit to the president of the senate, the speaker of
23 the house of representatives and the governor a report based on the
24 committee's recommendations, including the appropriate use of and
25 accessibility by health care professionals and delegates to the controlled
26 substances prescription monitoring program. The department and the
27 administration shall provide a copy of this report to the secretary of
28 state.

29 D. This section is repealed from and after June 30, 2020.

30 Sec. 4. Controlled substances prescription monitoring
31 program; unlicensed delegates; delayed repeal

32 A. A delegate of the Arizona health care cost containment system
33 administration or a contractor of the administration is not required to
34 hold or obtain a license or certification issued by a health profession
35 regulatory board as a condition of being assigned and provided delegate
36 access to the controlled substances prescription monitoring program
37 pursuant to section 36-2604, Arizona Revised Statutes, as amended by this
38 act, by the Arizona state board of pharmacy.

39 B. This section is repealed from and after September 30, 2020.

40 Sec. 5. Conditional enactment

41 Section 32-1904, Arizona Revised Statutes, as amended by this act,
42 does not become effective unless Senate Bill 1103, section 1, fifty-fourth
43 legislature, first regular session, relating to the Arizona state board of
44 pharmacy, becomes law.

APPROVED BY THE GOVERNOR JUNE 7, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 7, 2019.

Passed the House May 27, 2019,

by the following vote: 58 Ayes,

2 Nays, 0 Not Voting

W.R. Boyce
Speaker of the House
Pro Tempore

Jim Prater
Chief Clerk of the House

Passed the Senate February 28, 2019,

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting

Karen Farn
President of the Senate

Susan Aenes
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

Governor of Arizona

S.B. 1536

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

SENATE CONCURS IN HOUSE
AMENDMENTS AND FINAL PASSAGE

Passed the Senate May 27, 2019

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

Karen Faxon
President of the Senate

Susan Owens
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

28th day of May, 2019

at 12:20 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 7th day of

June 2019

at 4:43 o'clock P M.

Donald I. Ivey
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 7 day of June, 2019

at 6:01 o'clock P. M.

[Signature]
Secretary of State